

**PILOT LOCAL GOVERNMENT
PARTNERSHIP PROGRAM**

**RECOMMENDATIONS
REGARDING AN ECONOMIC
DEVELOPMENT
STRUCTURE FOR THE NOWY
SACZ REGION**

Prepared for



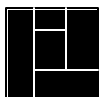
East European Regional Housing Sector Assistance Project
Project 180-0034
U.S. Agency for International Development, ENI/EEUD/UDH
Contract No. EPE-C-00-95-001100-00, RFS No. 611

Prepared by

William R. Wagner
Citizens Democracy Corps
Volunteer Advisor

under subcontract to

The Urban Institute



THE URBAN INSTITUTE

2100 M Street, NW
Washington, DC 20037
(202) 833-7200
www.urban.org

March 1997
UI Project 06610-611

PILOT LOCAL GOVERNMENT PARTNERSHIP PROGRAM

RECOMMENDATIONS REGARDING AN ECONOMIC DEVELOPMENT STRUCTURE FOR THE NOWY SACZ REGION

PURPOSE OF REPORT

This report presents recommendations for organizing economic development programs in both the City of Nowy Sacz and the Public Service City Zone of Nowy Sacz. It is written as both the City and the Zone are considering approaches to economic development and the role each jurisdiction will take in the region as a whole. The intended audience of the report are the elected officials and staff of each jurisdiction, as well as agencies which may be called upon to assist financially and/or with technical advisors, in the implementation of the proposed programs.

During the development of this report I conducted interviews with officials of both the City and the Zone, over a period of a week regarding the capacities and interests each jurisdiction regarding current and potential economic development activities. During that time it became clear that through a cooperative (not combined) working relationship between the two local governments, the prospects for a successful economic development program for the area as a whole would be greatly enhanced. However, it was also necessary to make recommendations in several cases that segregated duties between the two jurisdictions, so as to identify the most appropriate responsible jurisdiction.

A focused and comprehensive economic development program is just being developed for the region. Therefore, I was forced to rely on my understanding of both the current capacity of each jurisdiction, and, my judgement as to which jurisdiction might eventually be the more appropriate lead jurisdiction for a specific function. When looking at the future, I assumed that capacity, both legal and financial, could be developed, if the existing capacity of the jurisdiction is not adequate.

Finally, it became clear that both jurisdictions define economic development in a broad context. With that in mind, I redefined the name of each jurisdictions e, the reader will see that I propose a *Community and Economic Development Special Department* for the City, and, a *Regional and Economic Development Department* for the PSCZ.

ECONOMIC DEVELOPMENT PROGRAM — A DEFINITION

I would like to define in general terms what I mean by the phrase *economic development program* within the context of this report. The term refers to a series of actions that when complete enhance the prospects for growth in the local and regional economy through private business development and/or expansion. A good analogy might be preparing

a garden in spring. But in this case you are preparing a large garden for a number of people you don't know and aren't even sure will use your garden. But, what you are sure of is that if the garden isn't properly prepared, no one will use it, and in fact some persons already in the region may have to move to another region with a properly prepared garden.

If you will forgive that simplistic analogy, it does have a general basis in truth. Economic Development means doing all that you can to provide the resources needed for businesses to flourish and grow. This includes improving the physical infrastructure (roads, sewer, water, electricity, telephone), programs to enhance the skills of new business persons and employees, and having available capital for growth.

In my definition of economic development, government neither specifically creates business, nor dictates which businesses shall prosper and which shall not. Rather, government efforts are aimed at eliminating barriers to business development, so that development can occur as rapidly as possible.

Of course, the citizens of a region may prefer certain kinds of industries and businesses over others. So, an economic development program may target its efforts in a particularly way to create an especially attractive environment for certain types of industries (e.g., clean vs heavy industry, or high tech versus basic industry).

An economic development program in this context, is in no way a controlled economy. Just the opposite. It should have as its aim aiding the free market economy. If a less desirable industry comes along, then it is always an option to ecological impacts are minimized in terms of impacting residential and commercial areas. And, it is possible to regulate industries so that air and water quality are maintained.

PRINCIPLES GUIDING THE RECOMMENDATIONS REGARDING ECONOMIC DEVELOPMENT STRUCTURAL RECOMMENDATIONS

As already mentioned, this report was not produced in a vacuum. People and politics have as much to do with the success of an economic development program, as does a technically correct program design. Therefore, after briefly attempting to know the non-technical face of economic development in Nowy Sacz, I offer the following principles as a basis for the detailed programs and recommendations to follow. Some of these principles are in very typical of those that would be true of any similar region, however, some represent this region's cast of personalities in particular:

- ! The economic health of the City of Nowy Sacz and the area included within the Public Services City Zone of Nowy Sacz are very interrelated.** This principle simply says that if there occurs positive development in one part of the

region the health of the whole region will improve. That is, if a new industry is established and provides new jobs, it is likely that person from all over the region will have an opportunity to work in that industry. Or, if tourism flourishes in Krynica, other gmina will also benefit from tourist traveling through the region.

- ! **The pace of development and character of development of the City and surrounding region are different.** The pace at which development occurs is dependent upon many factors. A very important factor is the infrastructure capacity of the area. Therefore, it is reasonable for there to be a different pace of development in the central city of the region, Nowy Sacz, than in the surrounding villages and towns. The importance of this is that it is important not to create an economic development structure that doesn't allow for this difference. One size of shoe does not fit all. And, we don't want to create tensions between the City and the gminas by trying to tie all development programs too closely together. To say it another way, coordination of effort is better than combination of effort.
- ! **There is a natural tension between any central city and the surrounding region regarding the fair distribution of development assets and infrastructure investments.** This tension is felt by the citizens, elected officials and appointed staff of the area's local governments. The expression "The grass is always greener on the other side of the fence", is true. So, the trick is to take away the fence.

The simplest way to do this (take away the fence) is to have representatives from all governments involved when assets are being distributed. Even then, not all are going to get what is felt as a fair share of the resources, because there will never be enough funds to satisfy all demands. So, it is important at least that everyone knows why certain decisions were made. Then a longer range program of asset distribution can be established to enable tradeoffs to occur. That is, several local governments priorities are satisfied this year, others the next, in a system that attempts to be as objective as possible.

And, I say *objective as possible*, because we all know that politics certainly has a legitimate role in influencing asset distribution — isn't that in part why persons were elected, — to represent well the interests of their constituents! All that can really be expected is that the playing field is fairly level, so all those with legitimate interests can have an opportunity to express those interests.

- ! **The region's citizens should be concerned that the economic development efforts of the City and the surrounding Gminas are coordinated, and do not duplicate each other.** There is a natural tendency of leaders to feel that they should do everything for the people they serve. This is certainly a noble attitude.

However, in terms of economic development, such an attitude can create a duplication of effort. Neither this, nor any other region can afford to pay for the same thing twice. That is why I am recommending close coordination of activities between the Zone and the City. I in several cases I will suggest that a contract for services relationships be developed so one jurisdiction does not have to develop expertise already available in the other, if the sharing of the expert can occur in a timely fashion.

- ! Economic development efforts should support strong local self government principles, but when consistent with the interests of the State, foreign governments or private foundations, support funding from those sources can be sought.** It will take money and technical assistance to more specifically design and implement the recommendations of this report. It is anticipated that the City and Zone will together or individually investigate external sources of assistance. Therefore, the programs suggested here are not limited to those that can be immediately initiated by either the PSCZ or the City of Nowy Sacz

MISSION OF A MODERN ECONOMIC DEVELOPMENT PROGRAM

Basically, an economic development program should accomplish three things. First it should involve an broad cross section of community members in an assessment of the community or regions strengths, weaknesses, trends and opportunities as a place for business development and expansion. Based upon that assessment, a program of actions can be made to build upon and market the identified assets, and improve that which needs improvement.

Depending upon the area, a program might also include a strong component of training for both the employer and employee, or potentially employee. These programs would require an assessment of needs through a process of talking to businessmen, and representative of area industries. Then, working with area educational institutions, development of a comprehensive training program

The two main problems most business face when becoming established or when expanding are receiving the proper government permission and finding the money to accomplish their objective. Government assistance can significantly accelerate these problem areas.

Finally, an economic development program should be in an excellent position to mobilize the appropriate persons to lobby at the national and international level for assistance to carry out the actions called for in the program. In general, funding sources are much more likely to fund a cooperative of governments rather than one government. Funding agencies



like to see a coordinated and cooperative approach to problems when the problems are as broad as community and economic development.

STRUCTURE OF ECONOMIC DEVELOPMENT PROGRAMS

Below I will present my recommendations regarding the structure and function of economic development programs to serve the Nowy Sacz region. These recommendations grow from the principles stated above, and my understanding of the interests and capacities of the two principle jurisdictions within the region which are proposing to be the focus of economic development activities. My caution to the reader is that no structure of economic development creates new business nor jobs. Business people do that. The benefits of economic development programs often do not have a direct measurable impact, because it is the businessman who ultimately is responsible for the business. Therefore, the real value of the effort can only be measured by a business person saying something to the effect “your business development program really was a help to me.” “Without it I would have never gotten started.” OR “Without your program it would have taken me twice as long to expand my business”, or other such statements.

Too often, I see economic development programs counting the number of contacts they have had, or how many talks they have given, or how many brochures they have given out, as measures of accomplishment. Such things are measurable, yes. But, new jobs are the only true measure.

Overall Recommendations

Both the City of Nowy Sacz and the Public Services City Zone develop their own economic development programs

Why couldn't there be just one economic development program within the region to serve both the City of Nowy Sacz and the surrounding gminas? There are at least three good reasons not to have just one:

- ! The pace of development is quite different in the City of Nowy Sacz as compared to the surrounding region. Serving the city's need might consume all the time of a staff leaving nothing for the gminas.
- ! The type of development issues would be quite different comparing the City and the surrounding gminas. This difference can best be served by two different staff, best trained in either urban or rural issues.

- ! By having separate offices, each one could add functions unique to their circumstance, and therefore be more responsive to specific internal organizational as well as external client or community needs.

Assuming two programs do develop, structural measures should be taken to link the two

The future development of the City and the area of the PSCZ are certainly tied together. Therefore to the greatest extent possible the economic development efforts of the two governments should be tied together. This can be done at both the policy level and at the staff level. As I describe proposed functions for the two government's economic development programs, I will make recommendations for cooperative actions.

A Recommended Structure for the Economic Development Program of the City of Nowy Sacz

Proceed with the implementation of the new department of economic development proposed by the Secretary of the City, Wojciech Piech

Mr. Piech has developed a proposal to group staff from two departments of the City which are: Internal Investments, and, Roads and Lights . As I understand the proposal, this staff would be responsible for assessing the future infrastructure development needs of the City based upon their on-going analysis of infrastructure conditions and community development needs. In addition, a new function would be added, economic development.

I would suggest that he consider additional staff to have responsibilities in urban design/land use planning. These staff could look at the housing and land needs aspect of community and economic development.

Broaden the concept and name of the new department to Community and Economic Development

This broader title for the name of the department will demonstrate that the purpose of the department is to consider all the development needs of the City, not just those concerning a narrow definition of business development. There are two advantages to this approach.

First, for the economic potential of Nowy Sacz to be strong, the whole community must be adequately developed, not just the land area associated with industry. There must be adequate housing for workers, adequate schools for their children, good opportunities for commerce, and a pleasing environment in which to live. If all of those features are not present, people in a free society will eventually move to where they can be found.



Secondly, this department should attempt to involve the entire community through a number of approaches, in the process of defining what would be appropriate development for the City. Business people should of course be consulted. But, so should NGOs which are concerned with their community and how it grows. This will avoid, or at least minimize the potential for confrontation between those who want to develop in a certain way and those who do not. The time to have those debates is before a business is proposed, rather than after the proposal has been made.

Create a Community and Economic Development Commission for the City

I recommend that the President appoint a development commission. The commission's purpose would be to bring together persons and groups concerned with the development of the City in a regular forum. This will allow the City to test ideas for development, before they are presented to a broader audience. And, it will allow special interests a formal means to present their ideas to the City, without taking them directly to the City Council, where a confrontation might result.

Another important role of the commission could be to identify the legal and/or financial system barriers that would prevent the City from developing the way it feels best. The commission when authorized by the City Council, could then take action at the appropriate level of government to attempt to change laws as necessary.

The composition of the commission should represent business interests, environmental interests, community associations within the City and other special interests. The commission should have no power. It should only be a place to discuss concepts and make recommendations regarding those concepts to the City Council and President.

The new Department and Commission of Community and Economic Development should be freestanding

Because of the broad scope of responsibility of this department, it should be freestanding, rather than under the supervision of a particular City Management Board Member. In fact, to properly carry out its responsibilities, it will have to have the cooperation of a number of the existing departments of the City. Therefore, the head of this department should not be so positioned as to be on the same status as other department directors.

Since the department will have no direct responsibility for executing major physical development projects of the City it is less critical that it have the kind of Management Board oversight as other City departments.

Finally, and most importantly, this is to be a department that attempts to build a vision and consensus concerning the development of the City. Therefore, it would be a mistake to

have the Department and the Department Director too closely associated with any particular City Council Member.

A significant problem with this structure is being clear about who has authority to direct the activities of the Department Director and staff. There are two possibilities at least:

- Only the President can give direction after consultation with the full City Council
- The Department Director would only receive direction from the full Management Board when the Board has reached consensus

Those two choices can not be combined, because such a combination would inevitably lead to misunderstanding.

In no case should an individual City Council member be allowed to interfere with the work of the Department, unless that member has the direct expressed authority of the Council.

Of course, under either of the above mentioned options, it should be possible for the communication from the President or the Management Board, to be made through the Secretary of the City.

Since a freestanding department is an unusual concept for the City, I suggest that this arrangement be experimented with for a specific time period. Perhaps one year. Then at the end of that time period an assessment can be made to determine if the arrangement needs to be adjusted or abandoned.

Recommendations regarding specific functions for the City Community and Economic Development Department

Listed below are seven possible functions of a comprehensive community and economic development department. The first two functions are essential functions. These essential functions (#1 and #2 below), should be complete and updated frequently. The information made available by these functions will be critical to the City Council, City Department Heads and Citizens of the City.

The remaining functions are good options, but they are not essential. In fact, they can be presented as options as the comprehensive community and economic development plan is developed. Then, those participating in the development of the plan can prioritize these extra functions in terms of their perceived need in Nowy Sącz, and perceived ease of development.

The functions do not all have to be initiated at the same time, or at all. However, they will enhance business development efforts.

Assemble a comprehensive catalogue of infrastructure needs, both current and projected

Activity. Basic to any development effort is data concerning current conditions and projections of improvements needs to satisfy expected future conditions. If possible, general estimates of the cost of the improvements called for should be included. The assessment should include at least the following infrastructure areas:

- Roads
- Water treatment and distribution
- Wastewater treatment and collection
- Solid waste treatment and collection
- Telecommunications capacity and desired capacities
- Schools
- Housing
- Public areas such as parks and green ways
- Land available for industry, commerce, housing and the current zoning and services to the land. (e.g., In order for a new development to occur would a change in the zoning of the land be required, or, is there water and wastewater service available, etc.)

Staff skills needed. This is basically a cataloging activity, drawing upon the expertise of others to do the analysis of current conditions, projections of needs and estimates of cost.

External expert advice needed. It would be my expectation that City staff can conduct this analysis without any expert advice. However, where the services being provided are fairly new because of acceptance of a former State responsibility, some technical help may be required. For example, estimating the 20 year needs of the a solid waste facility might be a specialized engineering area requiring consultant support.

Funding. This basic information analysis is a clear responsibility of the City and therefore normal City funding should be adequate. Much of the work should be accomplished as a normal course of action by the various departments responsible for the infrastructure involved.

Initial action(s) to be taken. I would suggest that the first action should be a meeting with the various department heads responsible for the infrastructure to be inventoried. At this meeting the concept and purpose of this comprehensive inventory could be explained by the staff person who will be responsible for completing the document. Since the work involve may be beyond the normal tasks of the department, it will be important at this meeting to clearly define the priority the President and City Council place on the activity.

Time should be taken at this meeting for the department heads to discuss what problems they might individually encounter when completing their part of the inventory. This would be a good time for them to initially propose what external technical assistance they might need.

The outcome of this meeting should be a timetable for completing the inventory and a clear understanding of authority of the person responsible for the inventory to demand timely performance on the part of the department heads. A list of subsequent actions for the department heads and the staff responsible for the inventory could also be developed during this meeting.

Development of a Comprehensive Community and Economic Development Plan

Activity. This plan should outline the characteristic of the City of Nowy Sacz that impact the future development of the City both economically and socially. It should include an analysis of the current conditions and projections for the future. It also should include an analysis of the infrastructure needs to support development. The plan can go into specifics regarding the City's hope for particular economic sectors such as high technology, tourism and the future role of the Graduate School of Nowy Sacz and the Business School.

The process of developing such a plan is almost as important as the plan itself. A good process would include many discussions with business leaders, civic leaders, and other special interest who are concerned with how the City will grow and change in the future.

Finally, the plan should include a list of very specific actions that can be taken over the next few years to accomplish the plan's goals and objectives. Each action should be assigned to a specific person, department, or organization to accomplish. And, an expected product and date of accomplishment should also be stated.

Staff skills needed. Someone with training in modern urban planning should be hired to complete this plan. If locked in a room to write the plan it could take a week, if all the proper information was available. However, such a plan would mean nothing to anyone. Rather, a process that could reasonably take up to two years should be expected. This length of time is required principally to insure time is taken to get a satisfactory level of participation by special interest groups and citizens as a whole.

External expert advice needed. Because of the importance of involving citizens and special interest groups, an expert in running citizen participation processes would be valuable. If the person is not able to speak Polish, they would have to train a local person in the techniques of citizens participation for development of a plan. Then the expert could



observe the process and would be able to tell by the group involvement what additional steps needed to be taken.

Funding. This may be a process that is of interest to foundations or foreign government interests since it may be the first time such a process has been used in Poland.

Initial action(s) to be taken. Properly trained staff to carry out this process must be hired. This staff can then outline the technical assistance needed to augment the staff's skills.

Staff would next have to identify those special interest groups and important persons who should be invited to participate in the plan development process. Then a meeting of representatives of all the interest groups and others who are to participate in the planning process should be held to explain the process and what is expected of the participants. At that meeting it would be very important to ask if those in attendance know of others who it would be important to invite into the process.

Now the process can begin. At the start, all participants should be given data about the City's infrastructure needs, and they should be given the opportunity to add to the available information. With this common base of data, the process of developing the plan will go much more quickly.

Development of a program of Neighborhood Associations (Optional Activity)

Activity. It would be very useful to the Community and Economic Development Department to have established a system of voluntary Neighborhood Associations. The purpose of a Neighborhood Association is to provide a structure for people living in a portion of the City to meet and discuss what improvements they would like to accomplish in their area of the City.

For example, in the United States the parents in a neighborhood may decide that they would like to construct some new play equipment for the park in their neighborhood. Or, they may be concerned with the speed which cars travel on a neighborhood street where children play, and they, as an association, ask the City to help solve that problem.

Such associations can be very useful means for the City to both receive and give information to citizens. As the development plan of the City takes shape, it could be presented and reviewed at neighborhood meetings. Also, City Council members can attend association meetings to discuss community issues.

Neighborhood association would be organized as NGOs. A staff member of the Community and Economic Development Department could be assigned to assist people

develop and maintain an association. This assistance could be in the form of helping create formal organizational documents and structure, identify and/or provide meeting places, help with advertizing meetings, production of the association's newsletter, or other important sustaining tasks.

In the United States, cities sometimes support associations by offering small grants to for community projects. For example, the City might provide some funds for playground equipment construction materials, if the parents will provide the labor to build the equipment.

Staff skills needed. The task of supporting associations is usually found in a city's Public Information Department. The person carrying out this function needs to be a skillful communicator and a good organizer.

External expert advice needed. Setting up a City structure for the development of neighborhood associations would be a good task for an external consult. This consultant could train the City staff in terms of the organizational structure of associations and communication possibilities for the associations.

Funding. It may be possible to get grant funding to support this position and the services it would provide to neighborhood associations, because such groups contribute significantly to the strength of local government. In reality this function can be done for very little cost.

Initial action(s) to be taken. Invite an expert in forming and operating a neighborhood association to visit Nowy Sacz to train a City staff person regarding formation and maintenance of associations.

Business Development Specialist — Business Development Ombudsmen (Optional Activity)

Activity. The purpose of the position is to provide assistance to new businesses regarding all the aspects of how to get a physical location established. By having in one person all the basic knowledge described below, it will save the business person weeks if not months of searching. This is the type of assistance such a person would provide:

- ! Identification of all local and State permits that are needed by various types of business development, and contact persons for each permit
- ! When necessary, assistance in processing required permit paperwork
- ! Knowledge of the zoning of the City and what each zone permits



- ! Assistance in the process of acquiring land of sufficient size for the proposed development
- ! Assistance in the process of finding existing office space suitable for the proposed business including:
 - Current knowledge of vacant office space
 - Current knowledge of the cost of office space
 - A list of builders skilled at remodeling office space
 - Model leases for renting space

Staff skills needed. Stated above.

External expert advice needed. None.

Funding. City funding.

Initial action(s) to be taken. Begin gathering the information suggested above and creating a computer database of such data that can be quickly accessed when assistance is needed.

Grant Writing Specialist (Optional Activity)

Activity. This person would be a grant writing specialist who would be available to this department's staff and staff of other departments of the City to help write grants. The person would normally be available as a resource. They would not write each grant.

Staff skills needed. Excellent writing skills. Good knowledge of sources of grants for various purposes. Since so many grant sources are found on the Internet today, this person should have easy access to the Internet.

External expert advice needed. For certain complex grants, external assistance could be very useful and time saving. Also, a person very knowledgeable in United States and European private foundations could spend a short time in Nowy Sacz teaching this knowledge to the local staff person.

Funding. City sources for staffing. However, it may be possible to get a grant to pay training expenses of a local person to increase their expertise.

Initial action(s) to be taken. Find an appropriate person on the current staff to train in these skills, or hire someone with the skills in place.

Business Incubator (Optional Activity)

Activity. A business incubator is an office building that sub-leases space to businesses just starting up. When they locate in this building their rent is subsidized if the business is willing to undergo regular business counseling by a trained advisor.

Also available to the business are common office equipment such as a copier, a fax machine, etc., so the new business doesn't have to experience that expense initially. All offices would share the same reception and clerical support. Rules would be established to specify how much of this service is included in the rent price, and when the tenant would be expected to pay extra (e.g., how many copies are free, how much time of clerical support)

Once a business matures to the point that it can pay normal office rent and afford its own equipment, the business is expected to leave the incubator. It is usual to allow a maximum stay of three years.

A very important aspect of the business incubator is the business counseling that the tenants are required to experience. I recommend a strong role for the Nowy Sacz Business School for the counseling effort. By using the faculty and students of the Business School, the new businesses would have an excellent resource of expertise.

Staff skills needed. A person is needed to manage this facility.

External expert advice needed. An expert in business incubator development and management would be essential.

Funding. Good type of project for a combination of City and grant support.

Initial action(s) to be taken. The concept should be discussed with the Business School of Nowy Sacz. Once it is decided that this would be a good business development program for Nowy Sacz, bring in an expert to help set the incubator up.

Promotion of Nowy Sacz as a place for new business (Optional Activity)

Activity. Create materials that can be distributed to persons interested in establishing an business in Nowy Sacz. The material should include descriptions of land that is available for industrial or commercial development, what infrastructure improvements are available to the sites, what zoning allows and other similar strategic information from the perspective of the interested businessman.

Note: I feel it necessary to say that in my experience marketing rural cities, like Nowy Sacz, is often a lot of work for very little success. For an area such as Nowy Sacz, focusing



on developing home grown businesses is far more successful. If a business wants what you have to offer, they will find you quicker than you will find them. Above all, don't make too may concession to attract a new business, so that there is no advantage in it for the City.

Staff skills needed. Information about existing land and/ or office development possibilities. Marketing skills in terms of advertizing and brochure development. Knowledge of where to effectively advertize the City.

External expert advice needed. An expert in City marketing for business development would be of great service to train what ever staff the City may provide for this function.

Funding. City funds.

Initial action(s) to be taken. Bring in an external expert to train the City staff person assigned to this duty.

A Recommended Economic Development Program Structure for the Public Service City Zone of Nowy Sacz

Build strong roles for the Regional Development Commission

The Regional Development Commission should have two primary roles. First, the Commission should be responsible for overseeing the development of a Comprehensive Regional Development Plan for the region of the Public Service City Zone.

Secondly, it should serve as a neutral table at which the development interests of the central city of region, Nowy Sacz can be presented and discussed with the surrounding gminas. This latter function is in many respects the most important function. If it is possible for the City and the entire region to find concurrence on development issues, they together will present a strong local government force to cause change where necessary and to bring to the region resources that are necessary for the benefit of all citizens.

To accomplish this latter function, will take the commitment of the leaders of a local government, especially the President of Nowy Sacz, to both support and participate in the work of the Regional Development commission.

Recommended powers and roles for the Regional Development Commission

- ! The Commission should have no power over the gminas which make up the PSCZ, nor the cities within the region. Rather, the Commission is a forum for the discussion of mutual problems. Solutions to those problems shall be implemented by the gminas, cities or PSCZ on behalf of the member government of the PSCZ.
- ! The Commission should cause to be prepared a regional development plan for the area of the PSCZ.
- ! The Commission should review the development plans of all cities and gminas and comment to the local government responsible for the plan, regarding the consistency of individual plans with those of other jurisdictions and the overall PSCZ regional development plan.

Recommendations Regarding Specific Functions for the Public Services City Zone in the Area of Regional and Economic Development

Seven possible functions are listed below which could be preformed by the PSCZ on behalf of the member gminas. The first *two functions are essential functions*, and are basically the same as recommended for the City of Nowy Sacz. These essential functions (#1 and #2 below), should be complete and updated frequently. The information made available by these functions will be critical to the Regional Development Commission, PSCZ Department Heads and Citizens of the region.

The remaining functions are good options, but they are not essential. The functions do not all have to be initiate at the same time, or at all. However, they will enhance business development efforts.

Assemble a comprehensive catalogue of infrastructure needs, both current and projected

Activity. Basic to any development effort is data concerning current conditions and projections of improvements need to satisfy expected future conditions. If possible, general estimates of the cost of the improvements called for should be included. The assessment should include at least the following infrastructure areas:

- Roads
- Water treatment and distribution
- Wastewater treatment and collection
- Solid waste treatment and collection
- Telecommunications capacity and desired capacities

- Schools
- Housing
- Public areas such as parks and green ways
- Land available for industry, commerce, housing and the current zoning and services to the land. (e.g., Would a development need to change something in the zoning of the land, is there water and wastewater service available, etc.)

Staff skills needed. *Special recommendation: I recommend that the PSCZ contract for the services of staff of the City of Nowy Sacz to complete this task.*

This is basically a cataloging activity, drawing upon the expertise of others to do the analysis of current conditions, projections of needs and estimates of cost. However, the PSCZ does not have the expertise on staff to carry out this essential function. I recommend that the PSCZ contract with the City of Nowy Sacz to accomplish the analysis. This sharing of staff should insure that the task saves the PSCZ considerable money. However, the biggest benefit is that the assessment done for the City and the assessment done for the PSCZ would be consistent in format and mythology if done by the same staff. Therefore, this contract arrangement would eliminate the potential for disagreement concerning the findings methodology at some later date.

External expert advice needed. It would be my expectation that City staff can conduct this analysis for the PSCZ under contract.

Funding. Unclear at this time. It may be in the City's interest to do this task at no, or minimal cost to the PSCZ. A contract for services should still be prepared to avoid any misunderstanding concerning responsibilities.

Initial action(s) to be taken. Development of a contract between the City of Nowy Sacz and the PSCZ to complete this task.

Once the contract has been completed, at a meeting of the PSCZ Assemble, the City staff person responsible for the inventory can be introduced. That staff person can explain the concept and purpose of this comprehensive inventory.

The outcome of this meeting should be a timetable for completing the inventory and a clear understanding of authority of the person responsible.. A list of subsequent actions for the gminas and the staff responsible for the inventory could also be developed during this meeting.

Development of a Comprehensive Regional Development Plan

Activity. This plan should outline the characteristics of the gminas of the Public Services City Zone area of Nowy Sacz that impact the future development of the area both economically and socially. The plan should include an analysis of the current conditions and projections for the future. The plan also should include an analysis of the infrastructure needs to support development. Finally, the plan can go into specifics regarding the Regional Commission's focus on particular economic sectors such as, tourism and the increased production of agriculture.

The process of developing such a plan should present a good opportunity for leaders of the gminas to see how working together they can accomplish programs that they could not individually afford themselves. From this collaboration a list of very specific actions that can be taken over the next few years to accomplish the plan's goals and objectives should be developed.

Each action should be assigned to a specific person, or organization to accomplish. And, an expected product and date of accomplishment should also be stated.

Staff skills needed. *Special Recommendation: It is my recommendation that the PSCZ contract for staff services with the City of Nowy Sacz to complete this plan to the greatest extent possible. At a minimum, this contract should be for services of the City to assist the PSCZ in the task of hiring new PSCZ staff and consultants to carry out the planning activities.*

As I explained when discussing the City plan, the actual time it takes to write such a plan is not great. Rather, it is the process of many meetings to gather opinions of leaders that takes time. Therefore, it is not difficult for the staff to be working on two plans at the same time.

External expert advice needed. It is likely that the PSCZ employed develop a comprehensive development plan, will not have all the expertise needed for the planning efforts. Therefore, as the plan evolves the PSCZ staff will identify additional expertise needed to augment their skills and training.

Funding. This may be a process that is of interest to foundations or foreign government interests since it may be the first time such a process has been used in Poland.

Initial action(s) to be taken. Seek the assistance of the City of Nowy Sacz Architect to develop a staffing plan for completion of a regional comprehensive plan for the PSCZ. Next develop a budget consistent with the staffing plan. Finally, seek funding for the staffing budget and expected expertise which will have to be hired during the course of development of the plan.



Tourism Council (Optional Activity)

Activity. The region has apparently decided that tourism should be a major focus of the region's economic development efforts. In the United States, it is common for a tourist area to form a special association with the purpose of coordinating efforts of promoting the region. Through combining efforts and resources a more thorough and profession promotion program can be afforded.

A tourism council should not be confused with a tourism office. An office is simply a place office that hands out literature about the area to persons inquiring. A tourism council would aggressively market the region to professionals in the travel industry. They would arrange and host tours of the area for travel industry professional. They would creatively market the region to professional tour organizers. They would organize lobbying efforts to improve the infrastructure of the area so that it is easier for tourist to get here and to make the tourists stay more enjoyable.

A good function of the PSCZ could be to provide a home for this council. In this way the council could be seen as serving the entire region rather than a particular gmina.

Staff skills needed. A professional trained in tourism promotion, advertizing, tour development and coordination.

External expert advice needed. It may be valuable to have an expert in the operation of a tourism council visit the area to discuss the workings of such a council before the concept is put into practice. This may be appropriate because to be effective, a tourism council must have the support of the area tourism industry. That support may require a degree of cooperation never before established.

Funding. Initially, a grant my be sought to support a staff for one or two years. But, the most appropriate source of funding would be a "room tax" paid by tourist when for each night lodging in an area hotel or resort. The "room tax" generate would be directly proportional to the amount of tourist. So the better at promoting the region, the more funds would be available to the tourism council staff. This is a very common type of tax in the United States to support tourism promotion.

Initial action(s) to be taken. Inviting in an expert, who can meet with representatives of businesses involved in tourism to discuss the concept.

Business Development Loan Program (Optional Activity)

Activity. A very successful program in the United States is government supported business development loans. Basically, the federal or state government provides a local

government or NGO with money that can be loaned out to new or expanding businesses. These funds do not take the place of loans from commercial banks. Rather, they supplement the funds from those private sources.

Often a new business is too big a risk to loan to for a commercial bank. Or a commercial bank may not want to have too much of its funds invested in new businesses. These are the instances where a business development loan program can help. Working always with a commercial bank, the business development loan program Board would agree to provide 50 percent of the loan requested. The commercial bank would put up the other 50 percent.

In this way, everyone wins. The business person gets the loan needed. The bank is able to make a loan in an amount they are comfortable with, and begin a relationship with the new business. And, the government business development loan program is satisfied, because they have fulfilled their mission of fostering the development of new or expanding businesses.

I am recommending that this program be associated with the PSCZ rather than the City of Nowy Sacz because it should be available throughout the region, even though the services of such a program would be most heavily used by businesses within the City.

If the PSCZ is not interested in the program, the City might consider establishing one of their own. However, the smaller the territory to the program, the less likely it will be able to generate enough revenue to support itself.

Staff skills needed. Staff of such a program must have the same skills as a loan officer in a bank. This is not a charity program. Only “good” loans should be made. The idea is to keep the money moving, not to give it any, never to see it again.

External expert advice needed. An expert responsible for government supported, local business development loan programs should be brought to the area to talk to local bankers to see if a program could be started in the region.

I can’t emphasize enough that this is a program to support the local banking industry, not a replacement for it. It must have the banking industry’s support, not just the government’s support.

Also, the expert should be from the local government level. Not, state or federal agencies. While persons from state or federal agencies have knowledge, they don’t have the “hands on” experience of the politics and practice of putting such a program in place and keeping it operation.

Funding. Such a program would require two types of seed money. First it needs a million dollars or so in capital to invest. It may be that these funds can be borrowed from some central government source or international government source.

Secondly, funds are needed to initially pay the staff. This seed money should come from local government and local banking.

Once a number of loans have been made it is possible that the program will pay 100 percent of staff costs from the normal loan processing and servicing fees (as would a commercial bank). In fact, it is likely after five or six years that the program can be making a profit, which can be used to support other economic development efforts of the PSCZ that are not able to generate revenue (e.g., developing and maintaining a comprehensive regional development plan).

Initial action(s) to be taken. This program has to be seen as valuable in the eyes of the local banking industry. Therefore, the first step is to invite in an expert who can explain such a program and see if it can gain their support.

Establishment of a Work Force Development Program (Optional Activity)

Activity. The rapid pace of technological change has left many members of the current labor force behind in terms of skills needed in modern industry. Similarly, school curriculum have not adjusted to the new demands of industry. A work force development program would address this problem by systematically looking at the worker skill needs in modern industry. Based upon those needs a program both inside and outside the school classroom can be designed.

The PSCZ is responsible for secondary education. Therefore it is logical that the PSCZ take the leadership for this initiative.

Working with Nowy Sacz industry and business leaders an evaluation of basic skills for today's employees can be determined. Then working with representatives of the secondary schools and the Business School the curriculum of the secondary schools can be evaluated in terms of its adequacy for preparing students for today's workforce. Further, special training courses could be developed for retraining workers who's skills do not allow them to achieve the types of positions they would otherwise be qualified to accept.

Staff skills needed. Work force training is much more than just classroom education. Therefore, staff of this program need to have a business background as well as an education background. Staff will have to also be a good facilitator who can bring together education and business leaders.



External expert advice needed. A person skilled in work force training could be brought to the region to train local secondary education and Business School representatives concerning the basics of setting up and operating a work force training program.

Funding. Funding could come from the secondary education budget, as a legitimate education expense. Local industries also might be willing to support such a program, if they are given a significant voice regarding what is taught.

Initial action(s) to be taken. Informal discussions with area business leaders should provide an indication of the need for such a program. If there seems to be a need, the PSCZ can initiate a search for consultant support.

Business Development Specialist — Business Development Ombudsmen (Optional Activity)

Activity. The purpose of the position is to provide assistance to new businesses regarding all the aspects of how to get a physical location established. By having in one person all the basic knowledge described below, it will save the business person weeks if not months of searching. This is the type of assistance such a person would provide:

- ! Identification of all local and State permits that are needed by various types of business development, and contact persons for each permit
- ! When necessary, assistance in processing require permit paperwork
- ! Knowledge of the zoning of the gminas and what each zone permits
- ! Assistance in the process of acquiring land of sufficient size for the proposed development
- ! Assistance in the process of finding existing office space suitable for the proposed business including:
 - Current knowledge of vacant office space
 - Current knowledge of the cost of office space
 - A list of builders skilled are remodeling office space
 - Model leases for renting space

Staff skills needed. Stated above.

External expert advice needed. None.

Funding. Since this would be a new function for the PSCZ, there is no current funding available. Therefore, some outside funding source, State or international government source should be sought.

Initial action(s) to be taken. Begin gathering the information suggested above and creating a computer database of such data that can be quickly accessed when assistance is needed.

Comprehensive Planning Specialist (Optional Activity)

Activity. All gminas in Poland must up-date their existing Comprehensive Land Use Plans by the year 2000. This is a very expensive task. It is common for regional planning agencies like the PSCZ to have on staff, expertise to assist their member local governments in this effort. This sharing of staff saves considerable time and expense.

Staff skills needed. Certification in Urban Planning.

External expert advice needed. For certain complex grants, external assistance could be very useful and time saving. Also, a person very knowledgeable in United States and European private foundations could spend a short time in Nowy Sacz teaching this knowledge to the local staff person.

Funding. Since this would be a new function for the PSCZ, there is no current funding available. The member gminas do have funding for this purpose. They could contract with the PSCZ to do their planning for them, using the funding they are required by law to have set aside for this purpose. Further, there may be interest on the part of some international government or private foundation sources that could be sought to augment this funding.

Initial action(s) to be taken. Initiate a discussion with gminas to see if they would contract with the PSCZ for this service.